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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

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AUG 14 1946

August 7, 1946

AGRICULTURE IN ACTION
U. S. DEPARTMENT OF AGRICULTURE

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

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Director, Northeast Region

WHEAT SITUATION IMPROVES Domestic wheat supplies for the coming year are now estimated at 1,230 million bushels, consisting of a prospective crop of 1,132 million bushels -- the largest on record, and a carry-over of 101 million bushels -- except for 1937 the smallest in 20 years. While total prospective supplies are below each of the past five years, they still exceed the 1932-41 average by one-fourth.

Recent increases in the size of the prospective U. S. crop will allow larger quantities for export and carry-over under tentative estimates of distribution announced last May. In million bushels, these estimates now are: Food, 450; feed, 150; seed, 85; exports, upwards of 250; carry-over, 250 to 300 on July 1, 1947.

The world food situation is especially dependent on the size of the new crops, since large wheat reserves which existed in exporting countries a year ago have now been exhausted. Present prospects are for a world wheat production of 8 to 10 percent above production in 1943, and perhaps not far from the 1935-39 average. Larger supplies of other grains are expected to be available for food.

U. S. farmers have a 1947 wheat goal of 71.7 million seeded acres. This would be the largest acreage since 1938, and compares with 71.1 million acres seeded for 1946 and 68.8 million for 1945.

Here are wheat prospects for the other three principal wheat exporting countries: Canada: 25.2 million acres seeded in the Prairie provinces, an increase of 12 percent; 445,000 acres in winter wheat, a third less than in 1945. Australia: over 13 million acres seeded, about average and well above the 11.5 million seeded last year. Argentina: Substantially more acreage seeded than a year ago; conditions more favorable.

MORE EGGS TO BRITAIN An additional 10 million pounds of dried whole eggs will be obtained for export to the United Kingdom under the Department of Agriculture egg purchase program.

This will bring total purchases up to 86.5 million pounds since January -- equivalent to more than 8.6 million cases of shell eggs, 30 dozen to a case.

FARM EQUIPMENT
CEILINGS BOOSTED

Retail ceiling prices for all farm equipment and replacement parts will be raised an average of about 6 percent over June 30, 1946, levels to meet requirements of the new Price Control Act. The new delivered prices are effective July 31.

OPA says the increase in retail ceiling prices is required to enable farm equipment dealers to realize the same percentage discounts and mark-ups as during peacetime. The new Price Control Act bans cost absorption where sales of such products as farm equipment made up more than one-half of the total sales of retail dealers during 1945.

On May 10, 1946, OPA reduced dealers' peacetime discounts when it granted a 10 percent price increase to manufacturer and wholesale distributors, while increasing dealers' prices of complete items by only five percent and leaving unchanged prices of repair parts.

The May 10 price increase of 10 percent for manufacturers and wholesale distributors applying to both complete items of farm equipment and replacement parts, remains unchanged by this action.

AUGUST GRAIN EXPORT
ALLOCATIONS ANNOUNCED

Export allocations of bread grains during August -- all for direct human consumption -- will permit shipment of 581,000 tons of wheat and 377,500 tons of flour (about 35,963,750 bushels), and 42,500 tons of oats. Most of the wheat and flour will represent grain acquired under the bonus plan.

Largest allocations announced by the Department of Agriculture are 175,000 tons for the United Kingdom and 120,000 tons for the United Kingdom zone in Germany -- to replace grains previously diverted to famine countries. UNRRA has been allocated 165,000 tons, the next largest quantity.

Flour is expected to make up 40 percent of the wheat exports during August, compared with 29 percent in July and 26 percent in June. Of the total flour allocated, about 77,000 tons scheduled for shipment during July and August are expected to clear ports during August.

The Department's Production and Marketing Administration will supply all wheat for export during August, as well as flour for UNRRA and the military services. Oats for food uses and other flour for export will be procured by claimant countries through commercial channels.

During July, preliminary estimates show that 945,000 long tons of grain and grain products were exported from the United States. Of this total 525,000 long tons were made up of wheat and 175,000 long tons of wheat flour procured through PMA. In addition, 94,000 long tons of flour were exported by commercial sources. Corn shipments amounted to 36,000 tons; corn products, made up of starch and syrup, totaled 115,000 long tons.

ABUNDANT FOODS Potatoes continue to run strong; onions too are still plentiful. Looks as if we may get over the hump without buying peaches, even though latest estimates bring the 1946 crop above last year's all-time record. USDA is keeping a weather-eye on beets, carrots, cabbage, tomatoes, and regionally on sweet potatoes. Tomato blight may keep tomatoes below surplus stage.

THE FEED SITUATION Here's a round-up of feed prospects for the 1946-47 season:

Feed-grains: Ample supplies ahead, on basis of mid-July conditions. Production of 4 principal feed grains -- corn, oats, barley, and sorghum grains -- expected to total nearly 130 million tons, largest on record. Total in 1945 was 118.3 million. Smaller carry-overs of corn and barley partly offset larger production.

Byproduct feeds: Smallest supply in 5 years. Less livestock on farms, however, may result in supplies per animal unit being about as large as this year. Most of the reduction will be in supplies of wheat millfeeds, and in oilseed cake and meal.

High-protein feeds: Output may be about 5 percent less than in 1945-46. Small increase in cotton acreage this year, but reductions in acreages of peanuts, soybeans, flaxseed. Production of alfalfa meal production probably will be near record.

Wheat and rye: Less will be fed to livestock, although use of wheat on farms where produced probably will be fairly large.

Hay: Supplies fairly large, though smaller than a year ago. Record carry-over partly offset smaller production this year. Probably ample for livestock requirements.

ODT MOVES TO Heavy shortages of rail freight cars are expected during the
MEET CAR DEMAND coming months. In order to meet freight car needs for
 movement of grain and raw materials, plans are being worked
out to provide for Government financing of the construction of 50,000 boxcars,
the Office of Defense Transportation has announced.

Earlier this year ODT recommended the building of 80,000 railroad cars during 1946. This number represented the minimum needed to meet immediate demand during 1946 and to provide for replacement of equipment heavily over-used during the war.

Freight car loadings have risen sharply in recent weeks and presently are running over wartime peaks, with a near record loading of 921,496 cars during the week ended July 20, 1946. By early fall the estimated potential need will call for about 1 million cars per week. Under present car supply conditions, ODT said, it will be impossible to meet that demand fully.

SUPERPHOSPHATE PRICES Producers' maximum prices of superphosphate, used to
ARE INCREASED provide phosphoric acid for fertilizers, have been
 increased an average of about \$1 per ton by OPA.

Labor costs and costs arising from recent freight rate increases are reasons for the price increases. Old and new ceilings at two important producing points follows: Baltimore, Md. -- from 65 cents to 70 cents per unit of phosphoric acid; Savannah, Ga. -- from 57 cents to 61 cents per unit of phosphoric acid.

These increases will be added to ceilings at all levels and will be reflected in retail prices of mixed fertilizers and superphosphate.

THE NEW PRICE
CONTROL PROGRAM

Procedures are being developed for USDA's part in the new price control program. Many questions of authority remain to be settled. Decisions on which major farm commodities will be under controls must be made and announced before August 21.

The Price Decontrol Board of three men, confirmed by the Senate July 29, went into action the 31st as it met with Secretary Anderson and OPA Administrator Porter to make plans for administration of the new OPA law. According to latest press reports the Decontrol Board plans to begin public hearings August 12 to determine whether price ceilings should be restored after August 20 on meat, dairy products, grains, cottonseed, and soybeans. In the meantime USDA and OPA are working together closely under the new set up.

On July 26, Price Administrator Porter issued a statement emphasizing that under the Price Control Extension Act of 1946 all ceilings go back to where they were on June 30, except where the new law specifically makes other provisions and that these restored ceilings will serve as the basis for any adjustments made necessary as a result of the new act or because of any adjustments in process on June 30. He had this to say about food controls:

"Approximately 40 percent of all foods remain under control. It is erroneous to assume that all agricultural commodities are removed from price control until the Secretary of Agriculture certifies on September 1, items which are in short supply. The Act exempts livestock, milk, cottonseed, soybeans, poultry and eggs, or food or feed products manufactured in whole or substantial part from them, along with grains and livestock or poultry feeds made from grains.

"Until September 1, all agricultural commodities now under ceilings will remain under ceilings unless decontrolled. OPA will very shortly announce special actions to cover changes in subsidies and other factors relating to coffee, flour, corn meal and wet corn milling products. Under the major OPA food regulations, all sellers go back to their June 30 ceilings until notified of changes in their suppliers' ceilings."

RESTRICTIONS ON OILSEED
MEALS FOR FERTILIZERS

War Food Order 105, Amendment 1, which has controlled the acquiring of oilseed meals for fertilizer purposes during the period July 1, 1945, to June 30, 1946, was terminated this week by the Department of Agriculture, but restrictions upon the acquisition or use of edible oilseed meals for fertilizer purposes during the 1946-47 season were provided in an amendment to War Food Order 9, the U. S. D. A. reported August 5.

The continued tight supply of protein meals for feeding purposes requires continued restrictions on the quantity of edible oilseed meals which can be used for fertilizers and the prohibition of delivery or receipt of such meals for fertilizer prior to September 1, 1946, as provided in the amendment to War Food Order 9. The amendment does not, however, forbid the making of contracts prior to September 1, 1946, for the delivery of edible oilseed meal for fertilizer purposes after that date.

Certificates are required by War Food Order 9 with respect to all deliveries of edible oilseed meal for fertilizer purposes. WFO-9 also directs that edible oilseed meal acquired for use as fertilizer be used in areas and on crops where such meals had previous been used.

NORTHEAST STATES APPROVE CONSTRUCTION OF 1961 FARM DWELLINGS AND BUILDINGS

State PMA Committees in the Northeast Region, through July 31, 1946, had approved 1323 applications for the construction of farm dwellings out of 1425 received, and 638 for the construction of buildings other than dwellings out of 693 applications received. The total cost of the estimated construction authorized is \$7,512,327. The following tabulation shows the number of applications received and approved for each State:

State	Farm Dwellings			Other Farm Buildings		
	Received	Approved	Cost of Work	Received	Approved	Cost of Work
Me.	121	109	\$275,013.50	141	141	\$1,084,110.45
N.H.	42	39	106,310.00	26	22	116,865.00
Vt.	73	69	153,872.50	55	54	248,018.68
Mass.	108	98	370,130.12	58	57	257,380.00
R.I.	12	7	38,700.00	7	4	49,000.00
Conn.	131	116	487,116.00	74	61	277,023.00
N.Y.	283	265	659,712.25	82	81	535,571.00
N.J.	110	97	364,515.00	58	41	204,536.00
Penna.	545	523	1,304,535.51	192	177	979,918.37
Total	1425	1323	\$3,759,904.88	693	638	\$3,752,422.50

DANA M. SMITH CHAIRMAN OF VERMONT PMA COMMITTEE

The Vermont State PMA Committee, at its meeting on July 23, elected Dana M. Smith of Lyndonville, Vermont, as chairman of the committee. Mr. Smith, operator of a 95-acre dairy farm, has been a State Committee member for eight years and succeeds E. Francis Branon who recently resigned following seven years' service as a committeeman. Walter Beebe of East Dorset was elected vice chairman of the committee.

CORN, TOBACCO INSURANCE PREMIUMS PAID - PENNSYLVANIA

Chester County, Pennsylvania, reported July 26 690 of the 726 corn insurance contract premiums paid under the 1945 crop insurance program. Since 11 contracts had no corn planted, only 25 premiums remain unpaid.

Lancaster County, under the 1945 tobacco insurance program, reported on July 26 that 2349 of the 2568 contracts have their premiums paid. Sixty-six of the contracts had no tobacco planted leaving 153 contracts with premium still due.

POTATO PURCHASES The potato purchase program is continuing in New Jersey and Long Island. New Jersey has instituted an emergency purchase in temporary storage program in order to assure producers support prices. Present indications are that potatoes will be purchased soon under the regular program in Pennsylvania and Southern New England.

THE MEAT PICTURE Meat production under Federal inspection for the week ended July 27 soared to 384 million pounds -- 2 percent below the preceding week, and 41 percent above the 271 million for the same week last year.

Cattle slaughter -- 354,000 head, 2 percent above a week earlier and 40 percent above last year.

Calf slaughter -- 166,000 head, 3 percent above last week, and 43 percent above 1945.

Sheep and lamb slaughter -- 520,000 head, 25 percent above last week, and 27 percent above last year.

Hog slaughter -- 1,034,000 head, 1 percent below a week earlier, but 61 percent above last year.

THE VEGETABLE SITUATION Farmers have produced record or near-record quantities of fresh vegetables and potatoes which are moving to market this summer at prices substantially lower than those of last summer. Current stocks of commercially-canned vegetables are low, but record supplies will be available from the new pack. About an average quantity of sweet potatoes will be marketed this summer at prices somewhat higher than last year. Prospective crops of dry edible beans and peas are each about one-eighth larger than last year, but only peas will be available for export in quantity.

A record-large supply of truck crops for fresh market shipment this summer is indicated, with individual crop records set for cantaloups, Honey Dew melons, watermelons, tomatoes, cucumbers, lettuce, and spinach. Current prices received by farmers for most truck crops for fresh market shipment are well below prices a year earlier, and are expected to decline seasonally until fall.

Acreage planted this year to commercial truck crops for canning and freezing exceeds 2 million acres for the fifth consecutive year, and a new record-large production could result if good growing weather continues. Production for processing is estimated to be a new record high for green peas but slightly smaller than last year for snap beans. Planted acreages of other truck crops grown for processing are at record or near-record levels for lima beans, cucumbers for pickles, sweet corn, and tomatoes.

Demand for canned vegetables continues strong. For the third time in four years, the U. S. is producing a potato crop of more than 400 million bu. A near-average crop of 65.3 million bu. of sweetpotatoes is indicated for 1946.

1946-47 FERTILIZER SUPPLIES FOR U. S. The Department of Agriculture announced the quantities of fertilizer materials which are expected to be available to farmers of the U. S., including Puerto Rico and Hawaii, during the 1946-47 fertilizer year. These quantities are in line with recommendations recently made by the Combined Food Board (now replaced by the International Emergency Food Council), which were designed to result in as equitable a division as possible of available supplies.

In spite of increased production of fertilizer materials in many countries, the world shortage is so severe that the problem of obtaining a fair distribution has been even more difficult than during the war years. Estimated world requirements for nitrogen exceed world supplies by nearly 1,000,000 tons, or approximately 25%. Estimated requirements exceed supplies by 16% in the case of phosphate rock and by 32% in the case of soluble phosphates. For potash, approximate balance can be achieved between world requirements and supplies only if exports from Germany reach prewar levels.

The U. S. production of fertilizer materials is expected to be maintained at the peak war level, with perhaps some increase. On a plant food basis this is nearly double the average annual quantity used during the period 1935-39. Supplies available for consumption, taking imports and exports into account, are expected at least to equal the record quantities used during the year ending June 30, 1946.

Radio Transcription

R. E. Moody, Chief, Economic Section,
Northeast Region, Field Service Branch,
Production & Marketing Admin., USDA
Station WBZ - Boston, Mass.
August 8, 1946 - 6:16 a.m.

This year's potato crop is now estimated at 432 million bushels. The overall needs of the American people total only about 380 million bushels, and by needs, we mean the amount of potatoes the American consumer wishes to consume -- not the smaller amount he would consume if he does not have the money.

This surplus production of 50 million bushels represents considerable waste. The surplus potatoes are now being used -- very true -- but only in secondary uses, such as, livestock feed, starch, and alcohol manufacture which bring low returns for the land, the labor, the fertilizer and other materials used. So production of potatoes for these uses cannot be justified.

Irish potatoes are one of the fourteen agricultural commodities for which a big increased production was needed during the war years. In order to protect producers who had expanded their production to meet this war requirement, Congress specified that the fourteen commodities should be supported at not less than 90 percent of parity during the war and the immediate post-war years.

However, present production of potatoes far in excess of needs is now making this an expensive commitment. Several millions of dollars of Commodity Credit Corporation's funds were used in 1945 and additional millions will be used in supporting the price of potatoes in 1946.

What is the cause of this overproduction? -- and mind you, this appears to be a true overproduction and not just another case of underconsumption. It has not resulted from an expansion of acreage. Actual acreage planted to potatoes in both 1945 and 1946 is less than the average acreage planted to potatoes just before the war. However, present per-acre yields are running 1/3 larger than before the war -- 151 bushels in 1945 -- 158 bushels indicated for this year, compared with a pre-war average of only 116 bushels. While good growing conditions have been a factor, continued increased yields can be expected. Increased yields are largely the result of better seed, irrigation, improved methods of insect control, a shift of acreage to high producing areas -- the same trend that has been continually working in all fields of American production since the first settlers landed on our shores. It is a part of that progress which can result in an ever increasing standard of living for the American people.

The big problem in potatoes results from the very rapid increase in efficiency in potato production during the last few years. Without the promise of Government support and the activity of State and county committees to assure producers this support, this year's crop of potatoes would undoubtedly have returned to producers as low as 25 to 50 cents per hundredweight, and in some areas even less. This compares with an average of slightly better than \$2.00 per cwt., the price which the Government support program is now assuring the producers. However, the Government in order to maintain these prices bought over 20 million bushels of potatoes. At the present the Government is purchasing potatoes at a rate well exceeding 200 thousand bushels a day.

Without this price support thousands of potato producers would today be facing severe economic reverses, and in many cases bankruptcy. Their inability to continue to purchase the articles which they need would be a step toward depression. If the potato growers or any large group do not have the money to buy, then sales of both producer and consumer goods decline, orders placed with manufacturers decrease, factory operators cut production and the spiral of unemployment starts and gathers momentum as it spreads throughout the economic framework of the country.

Our economic system is too interdependent to any longer permit adjustment of agricultural production solely through free play of supply and demand. Who wants production of potatoes adjusted downward in a manner which results in depression prices and bankrupt producers? Few people continue to believe such free play of the supply-demand method advisable in the field of agriculture -- not only because of its effect upon the individuals involved, but also because of the final disastrous results to everyone. Nor, can we afford to continue to spend large sums of public funds to assure producers a fair price for a large over-supply of potatoes.

Our farmer committeemen elected by their fellow farmers to develop and administer these farm programs have done a lot of thinking on this problem. Their conclusions run something like this -- the American farmer has an obligation to produce all the food that the American people need so that no one will be hungry or undernourished. In return the farmer is justified in receiving a price for his products that will return an income permitting him to live as other Americans live -- not forced to a peasant's status, as is the case with farmers of most of the countries of the world. In return for the Government's assurance of price support -- in the event that it is needed -- the American farmer is willing to agree that he will not overplant -- that he will only plant an acreage which with average yields will assure the American public all it needs. The Government to insure itself against wasteful expenditure of funds and to avoid supporting a large oversupply of any commodity, will limit its support to those producers who plant within the individual farm goals allotted.

Considerable experience has been gained along this line during recent years when needs for certain products were determined, and then broken down to individual farms, through the county and community system of farmer committeemen elected by the farmers themselves. NOW county and community committeemen are reporting that potato farmers throughout the country are requesting a program of this type -- that is, a goals and controls "program" -- to be put into effect on potatoes.

It is important to all of us that adequate supplies of potatoes without a huge surplus be obtained. And it is equally important for the health of our economic system that potato producers continue to receive adequate income.

* * *

(Agriculture in Action -- Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., and R.I.)

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A. W. Manchester
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Director, Northeast Region.

TEMPORARY MEAT FEAST -- THEN A DROP Meat supplies for U. S. consumers will be larger than a year ago until late this fall. After that, there will be less meat than the near-record supplies of last winter, according to the Bureau of Agricultural Economics.

Reviewing the food situation, BAE predicts more potatoes, fresh fruits, and vegetables for the balance of 1946 compared with the same time a year ago. There may be somewhat less chicken and sweetpotatoes.

The current abundance of meat results from marketings of livestock held back in May and June. By October, however, a let-up in marketings and possibly larger exports will reduce U. S. civilian supplies below last year.

Looking further ahead, BAE says that 1947 meat production may decline one billion pounds, or about 4 percent below 1946. This reduction would be due to earlier marketing of spring pigs, an expected smaller 1946 fall pig crop, and a continued decline in cattle and sheep slaughter.

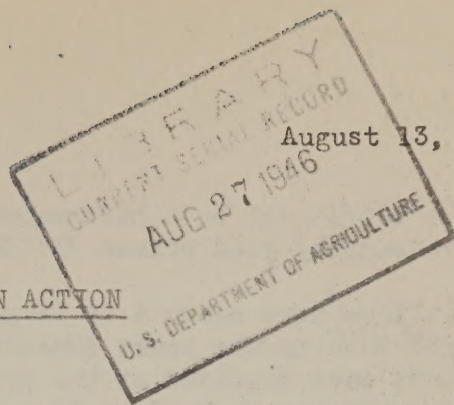
Per person supplies of milk and dairy products will be seasonally smaller during the rest of this year.

Despite smaller supplies of some food, the total per capita food consumption of U. S. civilians for 1946 is expected to be 3 percent ahead of 1945 and 15 percent above the 1935-39 prewar average.

FUTURE FARM PRODUCTION VS. CONSUMPTION If farm production continues at its present high level, can it be marketed at profitable prices?

Here is the opinion of R. P. Christensen of the USDA Bureau of Agricultural Economics as written in the Iowa Farm Science for August:

"If exports and imports return to prewar levels after a few years and total production does not change, we will have about 5 percent more food available for consumption in this country than we now eat.



"This should not be a burdensome supply. It should move into consumption at reasonably good prices IF CONSUMER INCOMES STAY NEAR THE PRESENT LEVELS.

"Civilians have eaten 5 to 10 percent more food during the recent war period than in the years immediately before the war. But not all market demands were supplied at the prevailing prices. Food supplies in 1944 were estimated to be 5 to 10 percent short of filling total demand for food under price controls. Therefore, food which will become available with a reduction in exports for foreign relief probably can be shifted to consumption at home."

WHEAT LOAN RATES INCREASED Wheat loans on the 1946 crop have been boosted 3 cents a bushel over previously announced rates because of increases in parity. As required by legislation, the new national average rate of \$1.49 a bushel reflects 90 percent of parity on July 1, the beginning of the marketing year. The 1945 crop average was \$1.38 a bushel.

HARVEST THOSE SEEDS All the legume seeds that farmers can harvest are needed to meet requirements in this and other countries.

The agricultural conservation program has encouraged greatly increased production of these seeds during the past several years, but the demand for the seeds is still far in excess of current supplies.

So farmers are urged to gather every pound possible.

Seed yields vary greatly, and farmers ordinarily do not harvest low-yield acreage. However, harvesting of even these fields is profitable under the special seed program.

Harvesting the three seeds needed most -- alfalfa, red clover, and alsike -- can mean a payment to the farmer of \$3.50 an acre. And poundage payments of 7 cents a pound for alfalfa and alsike and 9 cents a pound for red clover are also available in most States when the seed is sold into commercial channels. The fact that these marketing rates are more than $2\frac{1}{2}$ times the rates under last year's seed program points up the continuing urgent need for the seeds.

DISTILLERS' GRAIN QUOTAS FOR AUGUST ANNOUNCED Distillers' grain quotas for August will be allocated on the basis of the company's mashing capacity for a 3-day period for all its plants. Mashing capacity will be measured by the daily average for the highest 5 consecutive calendar days since January 1, 1945.

July's quotas were allocated on the basis of mashing capacity for 3 days, but capacity was based on the highest single day of previous operation.

Radio Transcription
A. W. Manchester, Director
Northeast Region, Field Service Branch
Production & Marketing Admin., USDA
Station WBZ - Boston, Mass.
August 15, 1946 - 6:15 a.m.

The August crop report that came out last Saturday records another "minor miracle." This year's total crop yields for this country promise now to be the biggest that they have ever been.

Nothing could be more fortunate. The world's needs for food are still tremendous and we had scraped the barrel just about as clean as it's possible to scrape it in this country. A small crop would have been a world-wide disaster, and an average crop would have required pinching of the severest sort.

If the crops materialize as they now promise, we shan't be entirely without shortages, at least on a world-wide basis, but the whole situation will be far better than could be hoped for a few months ago.

The big crop is the result of high yields per acre. It is no longer possible to increase acreages much in this country--that is, acreages of all crops. Single crops like potatoes can be expanded indefinitely, but mainly by taking the land away from other crops.

Yields of several of the most important crops now promise to exceed those of any year in history. Corn, which occupies more land than any other crop and which weights more heavily than any other crop in the total food and feed supply of the country, now is estimated at a yield of more than 38 bushels per acre. The best previous yield was about 35 bushels. Potatoes are now estimated at 163 bushels, as compared with the previous record of 150.

There will never be perfect agreement on "Why the big yields?" Weather, of course, is an important factor. We can't have big crops without good weather, but weather alone is not a sufficient explanation for the maintained and rising yields of the last five or six years.

Part of the answer has to be found in good farming, better farming than ever before and probably mainly better because farmers have better knowledge and better materials with which to work--better varieties, better machinery with which to do things on time, better protection from insects and diseases, and better soil fertility and fertilization.

For generations, up to a few years ago, crop yields in this country had not been increasing. The gains in scientific farming had been just about offset by the gradual depletion of our soils and the necessity of expanding production on to lands of lower yielding ability. The up-trend of the last few years came just in time to meet the needs of the war, and now the abundant harvest of this year makes the misery left behind by the war far less stark.

Radio Transcription - 2

Of particular interest to the Northeast is the fact that the great increase in the production of feed grains should mean that the feed crisis is over for another year, at least. To my mind, this doesn't mean that we can safely assume that it is over for all time or for our lifetime. Our livestock production has increased to the point where it presses so heavily on the feed supplies of this country that the Northeast will remain in a precarious position so long as it is as dependent on feed shipped in from other areas as it has been in recent years. But we have at least another year in which to push ahead in the effort to raise more grown feed.

As to crops of peculiar interest to the Northeast, the estimate for national potato production is now 445 million bushels, next to the largest crop of all time. This is roughly 60 to 70 million bushels more than people want to eat or use in normal ways. The task of supporting potato prices at the levels specified in the Steagall Amendment will be a heavy one.

Fruits and vegetables are good crops nationally and should be fully adequate.

For the country as a whole, milk production is still high, the production per cow running well above last year. The Northeast is an exception. Our cows were averaging to produce something over one-half pound per day less than last year on August 1, with New England responsible for most of the decrease. The drop is undoubtedly due to the drought which was broken in July and to some inadequacies in feed grains.

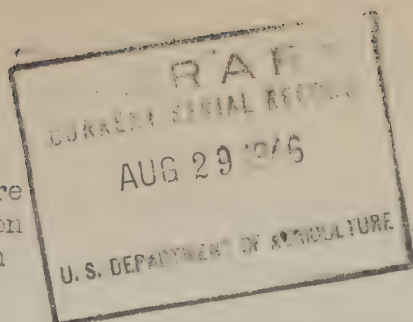
Egg production for the country for the first six months of this year was substantially the same as a year ago. But by July the rate of lay had dropped a few percent below a year earlier. Of course, in New England, the number of hens was cut so sharply because of feed shortages that the number of eggs is down much more than for the rest of the country. The other Northeastern States are about maintaining or slightly increasing egg production. On a national basis, there seems no reason to fear serious egg shortages in the recognizable future.

With farm production reaching heights above the hopes of the most sanguine, many of the shortages that affect housewives should disappear. There may not be quite all the milk and dairy products that everybody would like. There will not be enough fats, and if purchasing power stays extremely high, you may have trouble getting just what you want at the meat counter; but as a whole, we are working our way out of war shortages.

* * *

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

August 21, 1946

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A. W. Manchester
A. W. Manchester
Director, Northeast Region

1947 WHEAT GOAL EXCEEDS
DESIRABLE LIMITS; NEED GREAT

Announcing 1947 State wheat goals only slightly less than this year's large acreage, Secretary of Agriculture Anderson said another big acreage is sought because of the present low level of world wheat stocks.

"The proposed acreage is somewhat larger than would normally be desirable for proper conservation and land utilization," the Secretary's statement said.

The 1947 wheat goals set by the State USDA Councils totaled 71,720,000 acres, compared with 71,896,000 acres planted for harvest this year. Kansas tops the list with a goal of 13,600,000 acres followed by North Dakota, 10,000,000 acres; Oklahoma, 6,320,000 acres; Texas, 6,000,000 acres; and Nebraska, 4,200,000 acres. Goals for the Northeast States and Regional totals are shown below:

<u>State- Region</u>	<u>1946 Indicated Planted Acreage</u>	<u>1947 Goals</u>
Maine	3 - thousands -	2
New York	246	368
New Jersey	92	90
<u>Pennsylvania</u>	<u>909</u>	<u>1,000</u>
Northeast Region	1,250	1,460
North Central Region	17,127	18,100
East Central	2,397	2,775
Southern Region	13,009	12,950
<u>Western Region</u>	<u>38,113</u>	<u>36,435</u>
United States	71,896	71,720

29 STATES SIGN SCHOOL
LUNCH AGREEMENTS

Twenty-nine States and the Territory of Hawaii have signed agreements to take advantage of Federal school lunch program funds provided under the National School Lunch Act. Under the provisions of the Act, States agree to match Federal allocations with funds from sources within the States, and designate agencies to administer the aid in order to receive their share of available funds.

The following States are now participating: Alabama, Arkansas, Connecticut, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Montana, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, West Virginia, Wisconsin, and Wyoming.

POTATO PURCHASES Approximately 3165 cars of potatoes were purchased by the Department of Agriculture through August 18 in New York and New Jersey under the Government's program to support the price of potatoes.

In Nassau and Suffolk Counties, New York, 72 cars were purchased for direct distribution to schools, hospitals, institutions, etc. and 1350 cars were primarily directed to alcohol and starch manufacture. In New Jersey, Cumberland, Mercer, Middlesex, and Monmouth Counties reported 117 cars for direct distribution and 1626 cars (including Burlington County) mainly to alcohol and starch. Due to the lack of sufficient outlets, purchases are now being made in temporary field storage.

Arrangements are being made to begin potato purchases in Pennsylvania and Rhode Island this week and later in Massachusetts and Connecticut if it becomes necessary to support the price in those States.

FARMERS' HOME ADMINISTRATION On August 14, President Truman signed the Cooley farm credit bill, the main purpose of which is to give one agency the power to make direct loans to farmers who cannot get credit anywhere else. The act abolishes Farm Security Administration and creates the Farmers' Home Administration under the direct authority of the Secretary of Agriculture. Most of FSA's functions will be continued by FHA on a permanent basis and some new functions will be added.

The Farmers' Home Administration Act repeals the act that authorized Farm Credit Administration to make emergency crop production, seed, feed, and harvesting loans; FHA will collect and liquidate such loans, also rural rehabilitation loans, made under prior authority. In place of these two types of loans and by amendment to the Bankhead-Jones Farm Tenant Act, the Secretary of Agriculture is authorized to make production and subsistence loans at 5 percent interest to farmers and stockmen who cannot secure credit elsewhere for the purchase of livestock, seed, feed, fertilizer, farm equipment, refinancing indebtedness, other farm needs and for family subsistence. The act provides that such loans will not be in competition with cooperative or private credit. The interest rate for tenant purchase loans is raised from 3 (under FSA) to $3\frac{1}{2}$ percent. The act authorizes farm enlargement and farm development loans and loans to disabled veterans. It gives veterans preference in the disposition of project property.

A program of insured farm mortgages is established comparable to the insured mortgages on urban real estate now administered by Federal Housing Administration except that Farmers' Home Administration will service these insured mortgages. In signing the bill President Truman expressed the hope that Congress would speedily repeal one section of the act-- that requiring conveyance by the U. S. of all mineral rights in connection with lands conveyed under the authority of the act.

CORN INVENTORY LIMITATIONS LIFTED The Department of Agriculture has removed all restrictions on the stocks of corn which can be held by feed mixers, livestock feeders, food manufacturers and processors. This action should aid marketing of the new corn crop in an orderly manner.

The lifting of inventory curbs does not in any way change the existing restrictions on the use of corn and other grains in the manufacture of food and feed.

HATCHERY PRODUCTION

Hatchery operations during July were at a very low level, the Bureau of Agricultural Economics reported. A total of 30,007,000 chicks were hatched by commercial hatcheries during the month. This was 71% less than the high record July hatch last year and 41% less than the July 1940-44 average hatch. During the first 7 months of 1946, 1,053,673,000 chicks were hatched compared with 1,374,240,000 during the same months last year -- a decrease of 23%. Comments by hatcherymen indicate that demand for broiler chicks is improving a little, although comparatively light hatches are in prospect for the next several months. The number of eggs in incubators on August 1 was 62% less than on August 1 last year. The number of chicks booked on August 1 for later delivery was 83% less than a year earlier.

The number of potential layers on farms August 1 (hens and pullets of laying age plus pullets not of laying age) was 7% less than a year earlier. Pullets not of laying age on farms August 1 are estimated at 291,206,000 birds, 9% less than a year ago but 1% above the 1940-44 average.

CHICKS HATCHED BY COMMERCIAL HATCHERIES

State and Division	During July (thousands)			January to July, incl. (thous.)	
	Average 1940-44	1945 Revised	1946 Preliminary	1945 Revised	1946 Preliminary
Maine	416	563	68	7,825	5,287
N.H.	951	2,750	1,045	20,198	15,328
Vt.	139	165	30	1,282	1,152
Mass.	1,491	3,116	374	27,363	18,134
R.I.	208	326	163	3,095	1,950
Conn.	2,094	3,121	1,217	24,856	16,986
New Eng.	5,298	10,041	2,897	84,619	58,257
N.Y.	1,008	2,754	95	29,194	19,044
N.J.	809	2,793	751	29,676	21,157
Penna.	3,427	5,723	1,650	65,621	54,420
Mid. At.	5,254	11,270	2,796	124,561	94,631
E.No.Cen.	14,580	34,452	9,650	356,400	269,670
W.No. Cen.	9,489	14,319	1,642	385,781	312,935
So. Atl.	10,234	18,926	9,111	183,992	133,154
So. Cen.	2,949	6,330	1,392	136,261	111,903
Mount.	798	1,145	116	18,745	13,459
Pacific	3,321	9,367	3,203	83,881	59,084
U. S.	51,923	105,850	30,807	1,374,240	1,053,673

HOW IS CORN STORAGE ON YOUR FARM?

If you've had a hard time storing your corn the last couple of years, you may be in for double trouble and a serious cash loss this year. There are three reasons: (1) The record-breaking 1946 crop in sight, and (2) Corn piled on the ground can't be put under loan by Commodity Credit Corporation.

On August 1, the 1946 crop was estimated at approximately 3½ billion bushels -- almost 500 million more than in 1945. Corn storage this year again will be complicated by shortages. Materials for both temporary and permanent cribs are hard to get. Even if you can get them, it takes a lot of time.

Corn growers are urged to figure out as soon as they can just what their production will be, and what they need in the way of storage in order to avoid financial loss later.

FOOD SURVEY BEFORE
FAO CONFERENCE

Last week a group of six men, four of them from USDA, left for Europe to make a food survey of that continent before the FAO Conference in Copenhagen beginning September

2. They are: Under Secretary of Agriculture N. E. Dodd, Gordon P. Boals, head of OFAR's Grain and Feed Division; PMA Administrator Robert Shields; Keith Himebaugh, USDA Director of Information; Lt. Col. Stanley Andrews of the War Department; and W. C. McNamara, Commission, Canadian Wheat Board.

The survey group will cover as much of Europe as possible to obtain first-hand information on the general food and agriculture situation and particularly on the need for U. S. supplies for the 1946-47 season. Official announcement of the United States delegation to the FAO Conference is expected momentarily.

SHARP DECREASE IN
CATTLE ON FEED

Cattle on feed for market in the 11 Corn Belt States on August 1 was 45 percent smaller than last year -- the sharpest decrease in August numbers ever recorded. The percentage decrease was exceeded only in January 1938, following the 1934 drought.

Largest decreases in cattle on feed, ranging from 53 to 60 percent, were in Illinois, Minnesota, and Kansas, followed by 45 to 50 percent decreases in Iowa, Nebraska, and South Dakota. Michigan was down 40 percent, Wisconsin 25 percent, and Missouri 35 percent. Cattle numbers were up in Ohio, 6 percent, and Indiana, 10 percent.

Nearly all of the decrease from last year was in the number of cattle that have been on feed over 4 months. The number of short-fed cattle was down only slightly.

MEET ON SURPLUS PROPERTY

With a view to getting more surplus products into the hands of farmers, the first of a series of sales conferences between officials of War Assets Administration and buyers of farmer cooperative organizations has been held in Seattle, Washington.

The cooperative wholesale organizations of three agricultural regions in the Northwest met with WAA sales officials to discuss the sales program concerning hardware, electrical supplies and canvas items.

Additional conferences were held at Chicago and Fort Worth, Texas. Dates will be announced later for conferences in Atlanta and New York.

EUROPE'S WHEAT
HARVEST UP

The 1946 European harvest of wheat is expected to be considerably larger than last year's reduced production but still much below the prewar average.

The Department of Agriculture reports that the wheat output for 1946 in 12 European countries is estimated at 830 million bushels compared with 647 million bushels last year and a 1935-39 average harvest of 1,115 million bushels.

Recent press reports indicate a sharp reduction in wheat prospects in Australia due to drought. This year's harvest may be only 30 million bushels compared with 63 million bushels in 1945.

COLD STORAGE HOLDINGS
ABOVE NORMAL

The movement of dairy products, poultry, and frozen fruits and vegetables into cold storage increased during July, according to the Department of Agriculture. Overall freezer occupancy on August 1 was six points above the 5-year average; cooler occupancy, 5 points above.

LAND PRICES

CONTINUING UPWARD

The farm land market is continuing to boom. The Bureau of Agricultural Economics index for average value per acre jumped 4 points from March to July compared with rises of only 3 points for the March-July periods of the 3 preceding years.

The 4 percent increase follows a 7 percent rise for the 4 months from last November to March 31. Since March, land values have increased 3 percent or more in 18 States, 6 of which are in the South Atlantic Region.

The U. S. index has now jumped 13 percent since July 1945 which is 77 percent above the 1938-39 average and only 11 percent below the 1929 peak.

SOYBEAN ACREAGE

REDUCED RAPIDLY

Agricultural Conservation Program practices and the patriotism of farmers in growing more vitally-needed oil crops during the war has nearly doubled soybean acreage since 1941 -- the prewar peak year. Production increased almost as much as the acreage.

But demands for fats and oils outstripped the larger supplies, as evidenced from the Department of Agriculture's July 1 report on soybean stocks. The stocks of 26-1/2 million bushels were smaller than on this date in any of the past 3 years.

Projections projected this year are for a soybean crop of more than 180 million bushels -- the lowest since 1941 but only 3 percent less than the near-record crop of 184 million produced last year. A crop of this size would be 76 percent larger than in 1941.

While acreage for harvest is indicated at 9.4 million acres -- 14 percent below last year's harvested acreage -- the expected yield of 19.8 bushels per acre is well above last year's 17.6 bushels, and the third highest on record.

1946 ACP PAYMENTS

Through August 9, 1946, 95.8 percent of the 1946 Agricultural Conservation Program payments were certified in the Northeast States as follows: Maine - \$275,345, 100% of total certified payments; New Hampshire, \$44,431 - 100%; Vermont, \$110,104 - 99.7%; Massachusetts, \$216,974 - 99.4%; Rhode Island, \$11,812 - 100%; Connecticut, \$256,817 - 99.3%; New York, \$1,675,376 - 91.6%; New Jersey, \$140,900 - 99.0%; Pennsylvania, \$1,777,436 - 91%.

MILK MARKET ADMINISTRATORS

LET TO UNITE FARMER PAYMENTS

The Department of Agriculture has had under consideration requests that its market administrators, in some markets covered by Federal milk orders, participate in arrangements made by handlers for the pooling of payments to producers since July 1, 1946, above those required by such orders.

It has been concluded that the Department is not authorized by the Act under which milk marketing orders are issued to approve or to implement these arrangements. The arrangements for such pooling were not made pursuant to any provision of the Act, and it is doubtful that any such arrangement is the kind of program contemplated by the Act.

The Department, in concluding that it cannot comply with such requests, nevertheless, is interested in the payment by handlers to producers of all the money to which the producers are entitled and will cooperate in every permissible way to this end.

SUGAR OUTLOOK Sugar is one commodity almost certain to continue in worldwide scarcity the rest of 1946 and probably all of 1947. Rationing of sugar in this country probably will continue at the present rate at least until April 1, 1947. Very little sugar from the 1946 crops of U. S. sugar beets and from Florida-Louisiana sugarcane will move into distribution until 1947. At present, short stocks result in maldistribution of supplies with local shortages.

Sugar supplies -- Civilians' allocations for the second half of 1946 are larger than in July-December 1945, but more people are eating out of the supplies because of our military demobilization. The combined Cuban and Puerto Rican crops of sugar are turning out about 450,000 to 500,000 tons below earlier expectations. Allocations to all claimants were reduced about 2 percent by the Combined Food Board in June.

Sugar production -- Sugar beet production is indicated at 11,205,000 tons -- 29 percent above 1945. Prospective sugarcane production for sugar and seed is estimated at 6,394,000 tons -- slightly below 1945. Growth of cane in Louisiana is slow and the crop late. Florida's cane crop has been growing under favorable conditions. Total U. S. production of sugar in 1946 may reach 2 to 2.2 million short tons, compared with 1.76 million tons in 1945. This supply will not be distributed as sugar until next year.

Cuban Sugar Contract -- The U. S. has contracted to buy the entire 1946 Cuban sugar crop (less Cuban requirements) -- estimated at about 3,700,000 short tons, raw value. Under the contract, the U. S. will also receive the entire 1947 crop (less Cuban requirements).

Cuba has agreed to furnish the U. S. a minimum of 115 million gallons of blackstrap molasses from the 1946 crop and 165 million gallons from the 1947 crop.

The U. S. also has agreed to purchase 190 proof ethyl alcohol from Cuba with 10 million gallons to be delivered not later than December 31, 1946; and an additional 20 million gallons to be delivered not later than December 31, 1947; and 10 million gallons to be delivered not later than June 30, 1948.

Sugar Prices -- Ceilings were raised by OPA on June 24 by 10 cents per 100 pounds at the processor level, about 1 cent per 5 pounds at the retail level. This increase was permitted to offset increased operating costs resulting from smaller volume and recent wage increases.

PRESENT MEMBERSHIP OF IEFEC Membership of the International Emergency Food Council now consists of 24 nations -- Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Denmark, France, Greece, India, Netherlands, New Zealand, Norway, Siam, Turkey, Union of South Africa, United Kingdom, the United States, and five new members: Czechoslovakia, Finland, Italy, Republic of the Philippines, and Switzerland.

Membership on the council is open to any country through membership on any of its commodity committees. Other applications for membership are now being considered by commodity committees and applications continue to arrive, according to D. A. FitzGerald, Secretary General of IEFEC.

RADIO TRANSCRIPTION

A. W. Manchester, Director
Northeast Region, Field Service Branch
Production and Marketing Admin. USDA
August 22, 1946 - 6:15 a.m.
Station WBZ - Boston, Mass.

Among the many shortages that we still have left is shortage of fertilizer. Fertilizer supplies held up through spring plantings pretty well and laid the basis for some of the biggest crops ever.

You would think that when the peak of spring demand passed fertilizer would grow relatively abundant. But it hasn't.

There are acute scarcities, particularly of ingredients such as superphosphate and potash.

It is apparent that the demand for fertilizer is growing and going to grow by leaps and bounds so long as agriculture stays prosperous.

Fertilizer use is spreading fast in two ways: For new crops and into new areas of the country where little was used before.

In the Northeast the most striking increase is for new crops. Of course there has been a little fertilizer used for a good many years on pastures and a good deal more on hay fields. But the amounts have multiplied many times the last few years. The increase in use of superphosphate and potash, together with greatly expanded amounts of lime and the widespread seeding of ladino clover, are building a new agriculture in livestock sections of the Region.

It is an agriculture of abundant and high quality feeds -- five to six months of fine pasture and as many more of highly nutritive hay.

That progress to better and better food cannot go on without plenty of fertilizer and lime. The lime part of the problem seems to be measurably settled. Lime plants in the Northeast have been expanding their capacity so that there should be enough.

But the same cannot be said of either superphosphate or potash. And each is essential.

The developing shortages of these products are hitting the conservation program hard.

The way that program is handled now, each farmer makes out a plan of the soil-building practices that he wants to carry out in the coming year. He usually does this in conference with the community committeeman whom he has helped elect to represent his area.

The farm plans are reviewed by the county committee. The county committee is notified at the beginning of the year by the State Committee how much money is available for assisting farmers in their county with soil building. They approve the plans so far as they have funds, giving first approval to those which meet most pressing and important needs.

Radio Transcription - 2

The committees now face a difficult problem. The plans which they have approved for 1946 include the use of large amounts of superphosphate. Now it appears that a good part of the super that they had counted on is not going to be available.

They and the farmers need to change plans very quickly if they are going to substitute other conservation practices in time to get them carried out by farmers this year. From the soil-building standpoint, the year is already far gone.

Obviously, the practices substituted will be second best. Otherwise, they would have been approved originally. But our conservation needs are so great that there are things still available that need doing everywhere.

Fortunately, there is enough lime so that increased use of lime can be approved for many farms.

Of course, it does not take the place of the unobtainable fertilizers, but the lime is needed on most farms. And putting it on now should leave more of the funds available for the fertilizers in future years when supplies may be better.

Also, there are a good many erosion-preventing and soil-protecting measures that can be carried out in the fall -- waterways to keep water from washing across the fields, drainage ditches, pasture clearance for effective pasture improvement, increased seeding of green manure and cover crops and so on.

The whole situation calls for some prompt and decisive action by county conservation committees, else they will be failing to utilize all the resources available to them in advancing soil and crop improvement in their counties.

But they have faced crises before and have come through. That gives ground for faith that they can do it again.

* * *

(Agriculture in Action -- Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., and R.I.)

1.42
Ad 4 Agr
United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

August 28, 1946

SEP 4

AGRICULTURE IN ACTION

U. S. DEPARTMENT OF AGRICULTURE

2
Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester

Director, Northeast Region

**RESTRICTIONS EASED
ON USE OF GRAIN**

The supply-and-demand situation for grains has improved enough to permit Secretary of Agriculture Anderson to ease restrictions on the domestic use of grain. At the same time, the Secretary cautioned that our grain supplies must still be managed with care. A report by the Department of Agriculture warns that world wheat stocks are "uncomfortably low." Carry-overs of wheat on July 1 in the four big exporting nations -- the United States, Canada, Argentina, and Australia -- were only 373 million bushels, less than one-half the amount on hand a year earlier.

Restrictions on the use of grains have been eased as follows:

- After September millers will no longer be required to make 80 percent extraction of wheat; they can return to the normal 72 percent extraction.
- For the three months beginning September 1, brewers will be permitted to use grain and grain products up to 85 percent of a base period compared with the 70 percent which has been permitted.
- Distilleries can use grain, other than wheat, at a level of around three million bushels during September compared with about 2½ million bushels for recent months.
- The amount of corn and grain sorghums used by feed mixers, processors, and food manufacturers has been increased 5 percent after September 1.
- All restrictions on the purchase of grains by farmers have been removed.

The Secretary also announced that the grain export goal of this country for the 12 months starting July 1, 1946, has been boosted from 250 million bushels of wheat to a probable 400 million bushels of all grain and grain products.

With harvesting of this country's record-breaking 1946 wheat crop nearly complete, the Department of Commerce reports that U. S. production of wheat flour in July jumped 26 percent above June and just missed breaking the July milling record set in 1945. For the first seven months of this year, flour production is about four percent under the same period last year.

1947 GOALS SUGGESTED FOR
POULTRY, SUGAR CROPS, DRY PEAS

Farmers have received goal recommendations from the Department of Agriculture for four additional commodities to guide them in their 1947 production plans. The Department has suggested these 1947 national goals:

Hens and pullets -- Decrease of 7 percent on January 1, 1947, below the numbers on farms January 1, 1946.

Sugar beets -- Increase of 22 percent above 1946 planted acreage.

Sugarcane -- Increase of nearly 10 percent in acreage to be harvested in late 1947 and early 1948.

Dry peas -- Decrease of 6 percent below 1946 acreage.

Earlier the Department had recommended a wheat goal for 1947 harvest slightly larger than 1946 plantings. State goals will be announced soon following consideration by Federal and State agencies.

The suggested hen and pullet goal is for 435,000,000 head on farms next January 1, which would be 15 percent above the 1937-41 average although below last January. This goal should fulfill all currently known 1947 requirements, allowing 360 eggs per person in the U.S. Per capita consumption for 1946 is estimated at 375 eggs, and for 1945, it was 390.

Heavy culling in recent months caused by feed shortages is expected to bring hen and pullet numbers to about the desired goal next January. The improved feed situation indicated for next year is not expected to make much difference by January 1 because hatchery output has been sharply reduced since May.

PRICE CEILINGS GO BACK ON
SEVERAL FARM PRODUCTS

Price ceilings go back on livestock, soybeans, flaxseed, cottonseed and mixed and by-product feeds containing protein concentrates, on various dates

between August 26 and September 9.

Recontrol of the prices of these farm products has been ordered by the Price Decontrol Board set up by Congress in renewing a modified version of the OPA law. The board decided that there would be continued freedom from price control for dairy products, wheat, corn, rye, oats, barley, and grain sorghums.

The following schedule of dates for imposition of the new farm price ceilings has been issued by OPA:

Livestock and Meat

Producers	August 29
Slaughterers	September 1
Non-slaughtering wholesalers	September 5
Retailers	September 9

Grains and Feeds

Soybeans	September 3
Flaxseed	September 3
Mixed feeds	August 26
By-product feeds	September 3

* * *

---All dried fruits except dried apples have been removed from price control, effective August 19. Subsidies on dried prunes and raisins were discontinued July 28.

DAVIDSON SPEAKS TO
OHIO COMMITTEEMEN

Dave Davidson, Director of FMA Field Service Branch, told Ohio State and county committeemen at a recent State-wide meeting in Columbus that farmers will continue to need a farm program that includes conservation, marketing, crop insurance, and price support.

Davidson pointed out that if farmers are expected to supply the country with an abundant supply of food, they are entitled to a fair and adequate income in return.

We have taken much out of the land in growing the tremendous quantities of food needed during the war, he stated. This means that we have a big job to perform in the conservation measures necessary to assure food for the future.

To help committeemen meet the conservation needs of their local communities, part of the county's program funds for 1947 may be used for practices not included in the regular State list. Davidson indicated that this trend toward greater localization of the Agricultural Conservation Program places increased responsibility in the hands of county and community committeemen.

He emphasized his faith in the farmer committeeman system of administering the program and recalled his own start in the farm program as a community committeeman in California. He also stressed that any successful farm program must include soil-conservation, marketing aid, crop insurance, and price supports or commodity loans.

However, if farmers are to keep these program features, they should demonstrate their good faith by now taking advantage of them. By this, he meant that farm production must be geared to the capacity of the nation to utilize the output.

The Government through these programs cannot be expected to absorb large quantities of farm products produced in excess of the country's ability to dispose of or utilize them.

DAIRY RETURNS SMALLER THAN
PLANNED UNDER CEILINGS

Price returns to dairy farmers in July, the first month without price ceilings, were smaller than would have been allowed by June 29 ceilings plus the production subsidies planned for July by the Office of Economic Stabilization.

Including an allowance for increases in ceiling prices for feed during May, the Government had indicated that farmers in the second half of this year would receive 55 to 60 cents more per 100 pounds for milk, and about 17 cents more per pound for butterfat than during the last half of 1945, according to the Bureau of Agricultural Economics.

Actual market price returns in mid-July were higher than a year earlier by 24 cents per 100 pounds for milk and by 7 cents per pound for butterfat, BAE figures show.

SCHOOL LUNCH AGREEMENTS

Seven of the nine Northeast States have signed agreements to administer the School Lunch Program in public or non-profit private schools. These States are Maine, Vermont, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania. In Pennsylvania the program will be administered by the Department of Public Instruction and in the other States, the State Department of Education is the designated agency.

INTERNATIONAL WHEAT COUNCIL MEETS

Representatives of nine wheat importing and four wheat exporting countries, comprising the International Wheat Council, met in the Department of Agriculture, August 19, and took the following actions:

(1) Re-elected as its chairman the head of the U. S. delegation, Leslie A. Wheeler of the U. S. Department of Agriculture. L.A.H. Peters of the Netherlands was elected vice-chairman.

(2) Enlarged the membership of its executive committee from 5 to 8, made up of the four principal wheat exporting countries -- Argentina, Australia, Canada, and the United States -- and the four principal wheat importing countries -- China, India, the Netherlands, and the United Kingdom.

(3) Considered the first report of a committee which is revising the Draft Convention drawn up in 1941-42. This new statement will be submitted later to an international wheat conference.

ITHACA AND ALBANY FMA OFFICES COMBINED

To consolidate administrative functions of the New York State Production and Marketing Administration, the offices formerly located at Ithaca and Albany were combined on August 22 at 240 West Genesee Street, Syracuse. The new location is advantageous due to its central geographic location and excellent transportation connections. A sub-office will be maintained at Albany. The present address of the sub-office is 90 State Street.

Vermont Combines. The two Vermont State offices located in Burlington, were recently combined to facilitate administration of FMA programs, and are now located at 102 Adams Street, Burlington.

MARGARINE CONSUMPTION UP; BUTTER DOWN IN 1945

U. S. consumption of margarine reached a new peak in 1945, totaling 436 million pounds, compared with 243 million pounds in 1939, and 407 million in 1944.

The Department of Agriculture also reports that consumption of butter last year was 1,567 million pounds, compared with 2,276 million pounds in 1939, and 1,859 million in 1944.

FROZEN EGG BUYING TO END

Egg breakers and freezers were notified that USDA's buying of frozen whole eggs will end September 13.

The Department of Agriculture will consider, through September 12, offers of frozen whole eggs for delivery during September and October.

Since the present buying program started June 3, approximately 10 million pounds of frozen whole eggs have been obtained. Most of the eggs are shipped to Great Britain.

CROP INSURANCE SALES

Pennsylvania reported 250 wheat insurance policies sold through August 17. New York had sold 22 on August 16 and New Jersey, 10 through August 24.

FATS AND OILS TO CONTINUE SHORT No material increase in domestic supplies of fats and oils is in prospect for the next 12 months, according to the Department of Agriculture. Changes in estimates for exports and imports during the coming months are about the only possibility for increasing U.S. supplies.

In the year beginning July 1945 the U. S. imported 700 to 750 million tons of fats and oils. Imports of supplies into the U. S. beginning July 1946 are likely to be larger than last year because of increases in world surplus-producing countries, particularly the Philippines and the East Indies.

Imports of Argentine flaxseed and linseed oil are dependent on the outcome of current negotiations with the Argentine Government.

The U. S. exported 200 to 250 million pounds more fats and oils than it imported in 1945-46. In prewar years the U. S. maintained a net balance of imports of around 1.5 billion pounds annually.

U. S. warehouse stocks on July 1 were nearly 350 million pounds less than last year. Lard and grease production next spring probably will be smaller than this year because of a reduction in the 1946 fall pig crop. Output of linseed oil from flaxseed will decrease, with flaxseed now estimated to be down 40 percent from last year.

PENNSYLVANIA SETS UP COUNTY FAT SALVAGE COMMITTEES To increase the fat salvage collections in the State, Pennsylvania County Conservation Committees have been requested to appoint a County Fat Salvage Committee consisting of at least three persons selected from members of the county and community committees.

The State PMA Committee lists the following responsibilities of the County Fat Salvage Committees:

1. To promote the Fat Salvage Drive within the county.
2. To serve as trouble shooters when communities encounter collection problems.
3. Contact all renderers or independent collectors in the county to assist cooperating stores in receiving satisfactory pick-up and disposal service.
4. Secure a report from renderers monthly on total salvage fat collections, and submit a summary to the State Office not later than the 5th of the following month.
5. Make available news releases on salvage of waste fats to every newspaper in the county.
6. Distribute to stores posters made available through the American Fat Salvage Committee, Inc.
7. Discuss periodically the fat salvage situation with the county committee.
8. Report to the State PMA Office any fat salvage problems needing special attention.

Maine Third. Maine's average monthly waste fat collection of 700,000 pounds, places this State third in the Nation. Based on population, Maine's average is 150 percent of the National average according to A. C. Rohland, Field Representative of the American Fat Salvage Committee, Inc. in a report to Fred Nutter, State Director.

Vermont claims to have collected in July more than the amount per capita collected in any other New England State, according to a report by H. W. Soule, State Director. The amount collected was 16,000 pounds.

EXPANDED MARKETING RESEARCH PROVIDED BY NEW LAW

Expanded authorization for agricultural research is provided by new agricultural legislation. Programs under the legislation will emphasize

more efficient marketing and distribution methods, to give the farmer a larger share of the consumer's dollar and to give consumers farm commodities at lower cost. New and better ways of utilizing agricultural products are also major purposes of the legislation.

Research and marketing services authorized by the bill are in addition to existing research programs and marketing services. Appropriations to fulfill the additional authorizations must be decided by future Congresses within the following authorized limits:

- Payments to States for research (on fund-matching basis) -- \$2.5 million for 1947, \$5 million for 1948, \$10 million for 1949, \$15 million for 1950, \$20 million for 1951, unlimited authorization thereafter.
- Authorizations to the Department of Agriculture for research in farm product utilization (USDA may contract with private agencies to carry out the work) -- \$3 million for 1947, \$6 million for 1948, \$9 million for 1949, \$12 million for 1950, \$15 million for 1951, unlimited thereafter.
- Cooperative research (other than on farm-product utilization) with State experiment stations and other agencies -- \$1.5 million for 1947, \$3 million for 1948, \$4.5 million for 1949, \$6 million for 1950, unlimited thereafter.
- Authorization to USDA for marketing research and services, with permission to work through States -- \$2.5 million for 1947, \$5 million for 1948, \$10 million for 1949, \$15 million for 1950, \$20 million for 1951, unlimited authorization thereafter.

POULTRY AND EGG SITUATION If price increases on major food items are moderate, egg prices will probably increase seasonally and chicken and turkey prices remain about unchanged for the next few months (through November). On the other hand, a substantial increase in the general level of food prices would probably result in a more-than seasonal rise in egg prices and moderate increases in chicken and turkey prices.

Egg supplies for the fall months will be almost as large as during the summer, and at least as large as last year. Egg production for the remainder of 1946 will be 6 to 9 percent below last year, but the near-record cold storage stocks of shell and frozen eggs will fully offset the smaller output.

Prices received by farmers for eggs increased seasonally from mid-June to mid-July, but did not match the increase of 11 points in the parity index. At 37.1 cents per dozen, the average price received by farmers in mid-July was 90 percent of parity. In mid-June the average price was 33.5 cents per dozen, 95 percent of parity.

IN MEMORIAM

The Northeast Regional Office extends deepest sympathy to the family of the late Charlie B. Jordan who passed away at his home in Holden, Massachusetts, August 20. Mr. Jordan had been a member of the State AAA and PMA Committee for ten years until June 30, 1946, when he resigned because of ill health. He was a prominent farm leader in Massachusetts and was held in high regard by his associates throughout the Region.

Radio Transcription
Ralph Y. DeWolfe, Administrative Officer
Program Operations Section, Northeast Region
Field Service Branch, PMA - USDA
August 29, 1946 - 6:15 a.m.
Station WBZ - Boston, Mass.

Crop Insurance

You have probably heard statements, pro and con, about our government "being in business," one kind or another, but perhaps you have not heard the whole story about our government's insurance business. It's a long story, of course, but after all, when some new gadget comes to our attention only about three important questions pop into our minds -- "What is this thing?" "Why do you suppose some fellow thought it up?" "How does it work?" We'll try to answer these.

Federal Crop Insurance is just exactly what the name implies -- it is insurance on farm crops under a federal program. We are all familiar with fire insurance, and other kinds of insurance but a kind of insurance that a farmer can buy to protect himself against loss to his crops because of hail, wind, bugs, and a lot of other so-called unavoidable hazards is something new to a lot of us.

Let's go into some of the reasons why crop insurance seems advisable. For one thing, since time began, farmers have had to live with the weather. Perhaps, it would be just as appropriate to say farmers live by the weather. It makes their crops grow but quite often it destroys them too. No one has found out how to make it stop raining or how to steer a hailstorm around a tobacco field or do much about keeping the temperature above 32 degrees. Of course, farmers learn about better varieties of seed, improve their farming practices and use more and better fertilizers, all of which makes for bigger and better crops, but still and all each year crops fail and men and their families suffer.

"All right," you say, "I'm for crop insurance but why Federal Crop Insurance?" Well, it is not because the other boys haven't tried, that our government is now taking a crack at it. Many companies tried and gave up. It was first tried in the United States by a Minneapolis Company in 1899 but it failed. In 1920 and 1921, a concern wrote crop insurance on a large scale in many parts of the country, but that venture also proved unsuccessful. The same is true of attempts that were made to write frost and freeze insurance on fruit at about the same time. The same thing happened in 1931 and 1932 and again as late as 1937 and 1938 on wheat crop insurance in Kansas -- so you see our government is only trying to fill the need for a crop insurance program that has long been recognized by others as an essential part of a well-rounded agricultural program for this country.

And speaking of a well-rounded agricultural program -- what is it and how does crop insurance fit into the picture? Well, some people like to compare our national farm program to a three-legged milking stool and of course, all three legs have to be working before you can depend on that kind of a stool.

Let's call one leg the "better land" leg -- there are several governmental agencies and many local organizations and individuals giving their time to the job of helping the farmer to improve the soil. Then there is the "good prices" leg that is so essential to any business that is to succeed, and all of us, country and city people alike, are vitally interested in having the business succeed that supplies us with food, clothing and shelter.

But two legs, the "better land" leg and the "good prices" leg, are not enough. If a farmer has nothing to sell, he's out of luck. That is where the "sure crop" leg comes to the rescue. The insured farmer is sure of an income, regardless of the weather and then he can pay the butcher, the baker and the candlestick maker.

Here's how Federal Crop Insurance works. First, let me say it is a comparatively new project. The first insurance offered by the Federal Government was on the 1939 wheat crop and the bugs are not all out of the program any more than the bugs are all out of the potato patch, but there are a lot of people trying to make it better and I feel sure they will succeed.

The Federal Crop Insurance Corporation is an Agency of the Department of Agriculture, set up by an Act of Congress. Crop Insurance, at present, is offered on wheat, cotton and flax in all counties in the United States that grow these crops and can qualify under the regulations. Besides these crops, insurance is being offered in several widespread counties on tobacco and corn on an experimental basis and the Act states that from time to time experimental work may be started on other crops. Such crops might be fruit, dry beans, potatoes, peas and tomatoes for canning and many others. When insurance will be offered on these crops depends a great deal on how successful Federal Crop Insurance proves to be on the present basis.

You may have gathered that crop insurance is a county by county proposition. That's right. The County Agricultural Conservation Committee, makes use of all available data to set up an average yield for each farm in the county that grows the crop to be insured. Premium rates at different levels of coverage are determined by the Crop Insurance Corporation, depending upon the risk involved in the particular county. In short, a farmer may then select the plan and extent of insurance offered that seems to suit his particular situation best, the amount of protection depending upon the premium he wishes to pay. Losses are reported the same as losses under any type of insurance and adjustments are made by trained adjustors who are usually farmers living in the neighborhood.

There are some mighty good points concerning Federal Crop Insurance. Individual county premium rates will be adjusted up or down depending on the loss experience in the county. Local farmers have an important hand in administering the program. Insurance is usually offered up to 75% of the farm's average yield. The insurance covers all unavoidable hazards. Premiums and indemnities are paid in pounds or bushels of the crop insured at the price of the crop when payments are made. It is a mutual insurance program in the fullest sense of the word and deserves the support of every farmer, merchant, banker, business and professional man in the locality. In fact, every citizen will directly or indirectly benefit from the type of crop insurance program that is in the cards and in the making by those people responsible for it.

One close-by crop insurance-minded State puts it this way -- "It is better to have, than to wish you had - Crop Insurance."

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